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MONTANA REAL ESTATE REVIEW

AN OFFICIAL PUBLICATION OF THE MONTANA BOARD OF REAL ESTATE

Volume 1 — No. 1 **Helena, Montana 59601** **Published Quarterly**

Greetings to the Board Members, Staff and Readers of the Montana Real Estate Review:

This publication serves as an important communications link between the Real Estate Commission and the state's licensees. The commission board and staff have contributed to improvements in the standards of practice in the real estate profession by keeping licensees up to date on the latest changes in the law and by disseminating other important information. And this larger responsibility of service is often overlooked by those who think of the Board strictly as a licensing and policing agency.

I commend you for establishing this new publication and wish you continued success in providing better real estate service to the people of Montana.

Thomas L. Judge

THOMAS L. JUDGE, GOVERNOR
STATE OF MONTANA

GOOD INTENTIONS

The "Real Estate Review" has two main objectives. First to establish a closer contact with the licensee and second to encourage the licensee to keep abreast of changing times, changing methods, and changing values in real estate through constant education.

Success in any endeavor depends upon the ability to acquire knowledge and to use it correctly. The real estate business is no exception. Ideas relative to the sale and distribution of real estate changes frequently as a product itself, and each year offers new horizons to conquer if success is to be constant. This can only be done by keeping up with the changing markets and new methods. The brokers and salesmen present themselves as experts in real estate and in order to perform their duties, as such, they must be well informed.

GEORGE LACKMAN, CHAIRMAN
MONTANA BOARD OF REAL ESTATE

March 23, 1973

Honorable Matt H. Brown, Director
Board of Real Estate
42½ North Main
LaLonde Building
Helena, Montana 59601

Dear Matt:

Once again, I want to congratulate you upon your splendid promotion of the two Montana Conferences on March 2 and 3. The attendance at Missoula and Helena was unbelievable and, certainly, an inspiration to all who participated in the Seminar. Such an attendance does not happen on its own, but is a result of careful planning and diligent promotion. Considering the number of licensees in all of Montana (1,820), the attendance of over 500 licensees was simply fantastic. Congratulations, again!

With personal regards, I am,

Cordially yours,
Bob Semenow
Executive Vice-President

RWS/lu
cc: Joseph F. Schweidler
Paul Quinlan

THE PRESIDENT SPEAKS!

As President of the Montana Association of Real Estate Boards, I would like the Board of Real Estate and all people in real estate to know about the fine cooperation which has now come into being between the Board and the Association.

Over the years, I have been a witness to a change in attitudes between the Board members and the Association. At first there was an attitude of keeping each other at arm's length, but when Harold Karlsgodt was President of your Association a breakthrough was made regarding this attitude. He was invited to a meeting of the Board and each President, from that time, found the attitude more congenial and this year it has culminated in an understanding between the R. E. Board and the R. E. business. This benefits everyone, whether we belong to the Association or not.

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The President Speaks

(Continued from Page 1)

For my part, I find that the many formal and informal meetings we have had with the Board have been useful and informative. The invitation extended to me to attend a Board meeting during the business session and the acceptance of the Board to have a representative present at our quarterly meetings, has brought about a greater understanding which is good for all the people in the real estate business.

I personally have gained an insight into the every day problems which the Board is confronted with and I am sure that the Board will gain the same understanding in meeting with the people it governs.

It is fortunate that this year of greater understanding happened while I was President of the Association. I am sure that both the Board and the Association will benefit greatly if this attitude on both parts is continued through the years.

Your support of our efforts to upgrade our business through legislation or by asking consideration of changes in administrative procedures, and our support of your legislation and procedures, is going to ensure greater public confidence in all real estate brokers and salesmen than ever before.

GORDON BUCKLAND, PRESIDENT
MONT. ASSOCIATION OF
REAL ESTATE BOARDS

REORGANIZATION

Executive Reorganization Order 2-72 was issued by Governor Forrest H. Anderson and implemented on August 1, 1972 by placing 26 boards and commissions into the Department of Professional and Occupational Licensing. The authority for this action was in the Executive Reorganization Act of 1971 and enacted by the Forty-Second Legislative Assembly of the State of Montana. The Montana Constitution states that the state is permitted to have only 20 departments and the Department of Professional and Occupational Licensing is one of the present 19 departments. The Montana Real Estate Commission was one of the 26 boards and commissions which joined with the other 25 to create this department. At the time of reorganization, the name of Real Estate Commission was changed to the Board of Real Estate. This was provided in the Reorganization law.

The relationship of the department to the boards has created considerable interest. A short explanation is in order. The department has all the administrative and clerical functions to perform, therefore, the board is released from this duty. The boards continue to exercise their other statutory duties; i.e., set and enforce standards, and establish rules and regulations governing the licensing, certification, registration and conduct of the members of the particular profession or occupation. The boards sit in judgment in hearings for the suspension, revocation, or denial of a license of an actual or potential member of the particular profession or occupation.

The boards will act in a fuller sense then just as a board of directors creating policy and the department carrying out that policy. The Boards are the specialists in their respective fields and are accountable to the Legislature for the faithful performance of their duties as prescribed by law. The public interest idea of all licensing laws must be observed as well as the regulation concept. The responsibility of board membership is large and not fully realized by citizens generally. After being on this job for six months I am highly impressed by the talent, sincerity and dedication board members bring to the task before them. It is fair to say that all members serve at a sacrifice in money and time to represent the public and their respective professional or occupational group.

The goal of the department is to carry out the administrative functions of each board in as efficient a manner as possible. We will serve the boards, the individual licensee and the general public in as rapid a manner and as impartial as we possibly can. Hopefully, we will be able to give better service and more consideration to problems than was possible with the smaller individual units. The reorganization law provides that each board's earmarked revenue fund will be preserved and the department will access costs on the basis of hours expended on each board's business.

The actual reorganization has not proven as painful as many people envisioned. I would be less than honest not to mention that we have had problems and will no doubt have "crisis" periods in the future. The individual boards and the department people are working together to resolve many problems and to carry out the basic intent of reorganization. That intent is to create an executive department in state government which is responsive to the needs of the people; flexible to adapt to changing conditions; to strengthen the executive's ability to administer effectively and efficiently; encourage greater public participation; ascertain responsibility; and to eliminate overlapping and duplication of effort within the executive departments of state government. This shall be our task as we move forward with reorganization in this department.

ED CARNEY, DIRECTOR
DEPT. OF PROFESSIONAL AND
OCCUPATIONAL LICENSING

THE PART-TIMER

Every now and then we hear "squacks" about offices which have part-time salesmen.

Now we all know the villian in this case is not "the part-timer" it is the broker who sponsored his license. It is possible there are unusual instances where the hiring of a "part-timer" is justified. But it still remains the broker's responsibility to determine whether he is sponsoring a legitimate sales person or whether he is just a commission grabber.

It is safe to say that out of a hundred "part-timers" whose licenses are in effect by the grace of some broker, about two of them are an asset either to the broker or to the real estate business as a whole. And the funny thing is, that some of those brokers who talk about "professionalizing" our business are the very ones who employ "part-timers". Taken from the Nebraska Real Estate News.

LEGALLY SPEAKING

The real estate license law not only created the Montana Board of Real Estate, but it also made the business of real estate a profession. The standards for licensure and rules of conduct set out therein are simply the State's way of seeing that you are professional and will perform as a professional. In upholding the law as a reasonable exercise of the State's police power to protect the public, there is an implicit recognition that it is professionalism that protects the public.

The Real Estate Board was directed to enforce the law. It was also empowered to adopt rules and to facilitate the exercise of its duties and responsibilities in this regard. Underlining the law and all of the acts of the Board is also a well-known fact that the profession will not be publicly accepted as such until it has been assured that you are a professional and will perform as such.

Although there are many definitions of a professional, to us, they can all be boiled down to a person who is competent to render the service he offers to the public and who can be trusted by the public to faithfully render these services when so employed.

Just how far it will be necessary to go to assure the public that you are a professional and will act as a professional in order to obtain acceptance is, of course, a matter for you to determine through the legislature.

Many specific rules of conduct are set out in the law, but over the years have been found essential to assure performance as a professional at least indirectly and violations of these provisions can result in a suspension or revocation of a license.

The Board has also adopted many rules to implement the law in order to facilitate its enforcement and clear up any possible ambiguities. It maintains an investigative staff to assist in determining whether or not violations have occurred so that it may impose appropriate sanctions, should it so find. The Board has also halted many unregistered individuals from operating by causing the institution of criminal proceedings or instituting injunctive proceedings, or by obtaining voluntary cessation. Although the basis of the Board's existence is to protect the public, its objective is the same as yours, i.e., **to get the public to accept your profession as such.** We can assure you that by complying with the laws and rules of the Board, we cannot only reach that goal much sooner, but will, by cutting down materially on the disciplinary work of the Board, permit more efforts in other directions.

Should you have any doubts as to the law or any rule of the Board, the Board's staff is as close to you as the nearest telephone. While we are sometimes referred to as "prosecutors", we can assure you we are not. We would much rather deal with you over the phone then from across the table before a hearing examiner or court. However, you can be assured that no matter what amendments to the law you make in the future, the Board and Staff will faithfully enforce them.

MATT BROWN, ADMINISTRATOR,
MONTANA BOARD OF REAL ESTATE

LETTER TO THE EDITOR

March 7, 1973

Matt H. Brown, Director
Montana Real Estate Commission
42½ N. Main Street
Helena, Montana

Dear Sir:

Recently, a letter written by a Montana Real Estate Broker was read at one of our local Realtor's meetings. The main theme of this letter was that the present real estate exams were unfair and should be changed.

I would like to say that I feel the exams, in their present form and content, are very fair and adequate and commend the board on their administering of these examinations.

I have taken both the salesman and brokers exam in the last year and feel the exams are very well done—not easy but fair.

I hope the commission will continue to separate those who have not prepared for our profession from those who have.

Sincerely,
Albert Gile, Jr.

SEMINAR HUGE SUCCESS

Thank you, one and all! With the help of M.A.R.E.B., and other interested individuals, this agency feels a landmark seminar series has evolved.

Mr. Robert Semenow, our featured speaker, was thoroughly amazed! He had just returned from a talk in a state that licenses approximately 50,000 people. The attendance at that meeting was around 500. We equaled that with 1/25 the number of licensees.

The response to our other speakers was tremendous. Doctor Polsin definitely livened up the after lunch crowd, and Mr. Hoven and Mr. Eck relayed some very interesting information to us all. We are sure all who attended enjoyed the speakers and went home with a few new ideas that will be of some help.

Comments from many in attendance indicated the subject matter covered during the seminars is not generally available and it is hoped that such in depth educational opportunities will be made available at frequent intervals. Members of the Board were most pleased with the sincere interest displayed by those who took time from their busy schedules to attend. The 500 plus licensees attending the meetings clearly demonstrates that the real estate industry is truly striving for acceptance as a formal profession.

There is little doubt that true professionalism can only be attained through more and better educational opportunities for those preparing to enter the real estate profession, as well as more and better educational opportunities to provide ways of keeping their knowledge up-dated after they have entered the profession.

Thanks again to all who helped make the seminars a success and thanks for the many fine letters and suggestions for future seminars.

CLIFF CHRISTIAN, DEPUTY DIRECTOR

2nd 1973 Educational Seminar

In conjunction with the University of Montana and the Montana Association of Real Estate Boards, the Montana Board of Real Estate will hold the second 1973 Education Seminar. The location o fthe seminars will be at Billings, May 12 and Great Falls, May 11. One of the principle speakers will be Maurice A. Unger, Professor of Real Estate and Business Law, University of Colorado; and author of **Real Estate Principles and Practices.**

Further details, including dates of the seminars, will be provided to all real estate licensees through the Montana Association of Real Estate Boards and it's local associations by a mailing from the Montana Real Estate Board.

In future issues of this publication, our board members and the staff will answer any questions and print any editorials that the industry provides.

THIS IS YOUR SPACE — USE IT.

Training—The Broker's Obligation

If a check could be made on training programs which are conscientiously performed in broker's offices for the salesmen, it more then likely show that in many offices there is a disasterous lack of any such programs.

The objective of this suggestion being that the apprentice will be getting practical experience in the field under the watchful eye of his broker's sponsor. Hence, even though the law may not say so, the broker's obligation to work with his apprentice during his years of employment is certainly in pride.

Any broker certainly should realize law or no law, that when he hires a salesman he immediately accepts responsibility for some type of training program for that salesman.

Inasmuch as the question of education has at long last been raised, it is hoped that each broker sponsoring a salesman, will accept the obligation of giving his salesman a maximum amount of help during his employment. It is absolutely certain that the results of working with; encouraging and helping salesmen will give him a clearer picture of the industry, keep up his moral, give him a better understanding of the industry problems and the solutions, give him, as well as the company he represents, a better public image and keep up his enthusiasm for the business. If you have salesmen in your organization, you should accept cheerfully the obligation of training him carefully. Results will be a better salesman, a better broker, a better company, a better reputation and a better living for all concerned.

Is Your Address Correct?

Section 66-1935, R.C.M., 1947, as amended states:

> . . . In case of removal from the designated address, the licensee shall notify the Board before such removal or **within ten days** thereafter, designating the new location of this office, and paying the required fee, whereupon a license for the new location for the unexpired period shall issue.

The law requires that each change of office or place of business, a fee of five dollars ($5.00) must be paid. Please check the address on this bulletin and, if it is **not correct,** notify the Board at once! For a change of address it is necessary that you forward to the office of the Montana Real Estate Board your license, pocket card, and a fee of $5.00. Be sure to include your zip code. If you are a salesman changing brokers, please state the name and business address of your new employer.

With files to be maintained on approximately 2,000 licensees, it is **IMPERATIVE** that this requirement be met by every licensee who changes his address. Your cooperation will be greatly appreciated. Thanks!

CONGRATULATIONS SUSAN!

Jack Weidenfeler of Fidelity Real Estate adds the youngest female Realator in Montana to its sales staff. Susan E. Bangs, born 23 years ago in Great Falls, is a 1971 graduate of the University of Montana School of Journalism. Following graduation she was editorial assistant on "Montana, the Magazine of Western History," an historical journal published by the Montana Historical Society in Helena.

While attending the University, she taught at Missoula's Hellgate High School. During the past year she has been a substitute English teacher for Missoula School District One. She is a member of Theta Sigma Phi, women's journalism honorary.

Best wishes Susan for a rewarding career in Real Estate!

E. T. S. EXAMINATION

The Educational Testing Service specializes in testing programs, including the college entrance board examination utilized by almost every college and university in the United States. Additionally, it administers law school admissions tests, graduate school tests, CPA examinations, medical board examinations and others.

Like all new programs, the examinations have been criticized and praised. Fortunately, the praise has far outweighed the criticism in terms of the numbers of communications to the Board and staff members.

The examination is not an easy examination, and it wasn't meant to be, nor should it be. The real estate industry in the United States, and especially in this State, has been taking giant strides toward professionalism. This examination represents just one such stride.

After reviewing the statistics of the failing applicants, it has become apparent that the great percentage of failures is in the section denominated Laws, Rules, and Regulations. It appears that many applicants have not taken the time to digest and understand the meanings of our statutes and board rules and regulations. Probably, what is occurring is that each applicant is reading, and reading only, these laws, rules and regulations, and concluding that they have the subject matter "down pat." Consequently, when they later learn that they have failed that section, they complain because they "studied hard." Usually, the complaint will take the form of, "the laws, rules and regulations section didn't look anything like it does in the Manual."

That statement is quite true. The test is not a test for memory, but is a test for aptitude. It tests the application of the laws, rules and regulations to a provided factual situation. The same theory applies to the other sections as well, but the theory seems to be understood more in the other sections than it is in the laws section.

For the brokers who are sponsoring applicants for these examinations, the Board cannot put enough stress on the need for the brokers to counsel with their sponsored applicants, particularly, in the laws, rules and regulations area. The Board is well aware that many of the brokers simply do no more than sponsor the individual and, thereafter, expect the applicant to "dig it out for himself," as far as the examination is concerned. The brokers should be mindful of the

(Continued on Page 5)

HONESTY IS THE BEST POLICY!

A broker was discussing a certain location with his client and related the following:

"And to show you what an honest man I am, I will tell you about the disadvantages first. In the first place the stockyards are half a mile to the west; north is a sewage disposal plant; two blocks east there is a landfill dump; and not far south is the railroad yards."

"What are the advantages?" gulped the prospective buyer.

"You can always tell which way the wind is blowing!"

(The Board would rule "no misrepresentation" in this instance.)

E. T. S. Examination

(Continued from Page 4)

fact that the licensee may be working for them in the very near future and further mindful that those brokers are responsible for the actions of that licensee. Consequently, the brokers should take an early interest in the applicant and to assist him or her in the examination preparations. Such assistance will, undoubtedly, reward the applicant and the broker, as well. Good business practices generate good business.

The real estate industry **will** become a profession by definition. Profession by definition, of course, means education.

Broker's Responsibility In Applicant Sponsorship

The real estate broker sponsoring salesman applicant has a responsibility to the public and the real estate industry. The employing broker must certify that in his opinion the applicant is honest, truthful and of good reputation and recommend that the license be granted to the applicant. The broker, in effect, is informing the Real Estate Board that he has checked the applicant's personal and business background. The broker is further stating that he approves the application and will carefully supervise the applicant.

This means that the sponsoring broker must actively investigate the applicant's background. He should do this by making inquiries of former employers, credit reports, police records, and any other source which may be helpful in his conscientious determination whether he should sponsor the applicant. The broker should believe that the individual will be an employee who will act properly toward the public and enhance the image of the real estate profession.

The Real Estate Board does not condone the action of brokers, in sponsoring applicants and signing the applications as their prospective employer if, in fact, they have not carefully investigated the applicant's past record. The broker should sponsor only capable, trustworthy, qualified and dedicated salesmen. Each employing broker should be fully cognizant of the continuing responsibility for the actions of his salesmen.

How's Your Office Rated?

Perhaps this bulletin will motivate some employing brokers to pause a moment and take stock of what has to be a very important phase of their operations—a sound training program or a disastrous lack of one.

Since the broker is responsible for the actions and conduct of salesmen licensed in his employ, it should be unnecessary to state he's obligated to see that they are adequately trained in real estate procedures and ethics.

Look about you. Is it a pleasant experience for you and your staff to cooperate with a broker down the street who has failed to realize the extent of his responsibilities for the actions of a salesman whose tactics reflect anything but credit on the industry from the point of view of the public and other licenseees alike. It has been said that the untrained salesman is either lacking in confidence or he is overconfident to the point he loses clients and customers and the respect of his fellow professionals.

In contrast, it is a pleasure to do business with a neighboring broker whose salesmen are the product of a well-developed training program, conscientiously carried out in an atmosphere of confidence and cooperation. "Office jumping" is rare in this type of environment and broker and salesman seem to enjoy a prosperous, steady and sound growth through the years.

Real Estate is a vocation where careful attention to detail and accuracy means avoidance of many problems; probably there is no single aspect more valuable to a real estate firm in resolving problems in attaining success and public confidence then efficient training and sales meetings which keep open the avenues of communication and foster comradery in the feeling that all are working together as a team.

Honest Advertising

An advertisement offering to buy real properties, used as a means of getting listings, is devious and ethically wrong.

"5% down plus closing costs" in an ad indicates anyone with the above monies can buy the property. This is simply not true. This ad is misleading. It should contain these three little words, "if you qualify".

RULES AND REGULATIONS

MONTANA REAL ESTATE BOARD
Statutory Authority—Section 66-1927(F)
RCM, 1947, as Amended
Adopted December, 1972
Superceeding those Previously adopted

Filed in the Office of the Secretary of State, Montana, March 1, 1973.

It is the purpose of this Board, acting under the provisions of the Act creating it, to regulate the licensing of real estate brokers and salesmen, to safeguard the public interest in real estate transactions, and require the maintenance of high standards in ethical practices by all the real estate licensees doing business in the State of Montana.

CHAPTER I

Administration (Purpose)

1-1 These rules and regulations are intended to clarify and implement Section 66-1924, 66-1947, R.C.M. 1947, as amended, to the end that the provisions thereunder may best be effectuated, and the public interest most effectively served.

1-2 If any section, subsection, sentence, clause, or phrase of these Rules and Regulations be for any reason held to be invalid, such holding shall not affect the validity of the remaining portion of said Rules and Regulations. The Montana Board of Real Estate hereby declares that it would have passed and adopted these Rules and Regulations in each section, subsection, sentence, clause, or phrase thereof, separately and irrespective of the fact that that any one or more of them be held invalid.

CHAPTER II

Application for Examination

2-1 For the purpose of determining the qualifications of a license applicant or an equivalency applicant, the Chairman of the Board may appoint a committee to review the application and make recommendations to the Board.

2-2 In determination of the qualifications of a broker applicant, the Board shall require and take into consideration the volume of business conducted during the period such broker applicant was licensed as a salesman, but shall not be limited thereto in its determination.

2-3 All original applications for the Montana Real Estate Brokers examination shall be made to the Montana Board of Real Estate not later than the first day of the month preceding the date of examination.

2-4 All original applications for the Montana Real Estate Salesmen's examination shall be made to the Montana Board of Real Estate not later than the first day of the month preceding the date of examination.

2-5 All repeat applications for the Montana Real Estate brokers and salesmen's examination shall be made to the Montana Board of Real Estate not later than thirty (30) days preceding the date of examination.

2-6 All applications for examination shall remain current for a period not to exceed six (6) months from the date of application.

2-7 No part of any fee paid in accordance with the provisions of this chapter is refundable. It is deemed earned by the Real Estate Board upon its receipt.

2-8 If an applicant for any examination fails to take the examination on the date scheduled, he must make application in writing to the Montana Board of Real Estate, for rescheduling within six (6) months of the date of original application. A rescheduling fee of $10.00 must accompany the written request.

2-9 All applications shall contain a recent 2x2 photograph of the applicant.

2-10 All applications shall contain a copy of the applicants high school diploma or official transcript or their equivalent.

2-11 All applications must be fully legible and accurately completed.

2-12 All applications received subsequent to the dead-line date will be scheduled for the next succeeding examination without exception.

2-13 A General Educational Development Certificate (G.E.D.) shall be considered equivalent to a high school diploma, relative to the educational qualifications required by Section 66-1929, R.C.M., 1947, as amended.

CHAPTER III

Examinations

3-1 The real estate examinations shall be held at such times and places as may be determined by the Montana Real Estate Board, as provided by the Real Estate Act.

3-2 Examination schedules shall be prepared yearly.

3-3 Examination schedules shall be made available to all licensees and published by state-wide media.

Continued on Page 6

Rules & Regulations

(Continued from Page 5)

3-4 The following rules shall be obeyed by all examinees, and they may be disqualified for any breach there-of:

(a) Examinees may not refer to any notes, books, or memoranda during the course of the examination.
(b) All rough work and calculations must be done on the examination booklet.
(c) The copying of questions, making of notes, or revealing the contents there-of is prohibited.
(d) Candidates shall not leave the examination without permission for any reason until they have handed in the completed answer sheet and test booklet to the administrator of the examination.

CHAPTER IV
Board Meetings

4-1 Board meetings shall be scheduled at a time and place as may be determined by the Board.

4-2 A copy of the minutes of the meetings of the Montana Board of Real Estate shall be forwarded to each member of the Board.

4-3 The minutes of the meetings of the Montana Board of Real Estate are available for public inspection, at the office of the Board during usual business hours.

CHAPTER V
Fees

5-1 The following fees are required by the Montana Real Estate Commission for each of the licensing services listed below. All fees are subject to change by the Commission, within the limitations provided in Section 66-1934, Revised Codes of Montana, 1947, and without notice.

5-2	For initial examination, a fee	$ 20.00
5-3	For each rescheduling of examination, a fee	10.00
5-4	For each original resident broker's license issued, a fee	25.00
5-5	For each annual renewal of a resident broker's license issued, a fee	25.00
5-6	For each original non-resident broker's license issued, a fee	40.00
5-7	For each annual renewal of a non-resident broker's license, a fee	40.00
5-8	For each original salesman's license issued, a fee	20.00
5-9	For each annual renewal of a salesman's license, a fee	20.00
5-10	For each additional office or place of business, an annual fee	15.00
5-11	For each change of place of business or change of employer or contractual associate, a fee	5.00
5-12	For each duplicate license, where the original license is lost or destroyed and affidavit is made thereof, a fee	5.00
5-13	For each duplicate pocket card, where the original pocket card is lost or destroyed and affidavit is made thereof, a fee	5.00
5-14	Notice of Intention, a fee	50.00
5-15	Questionnaire, a fee	100.00
5-16	Application for Registration of subdivided lands, a fee	500.00
5-17	Reinstatement of a license suspended or revoked within a license period, a fee	25.00

CHAPTER VI
Licenses

6-1 All applicants for licensure as a Non-Resident Real Estate Broker shall pass the Montana Real Estate Board real estate broker's examination.

6-2 All applicants for licensure as a Non-Resident Real Estate Salesman shall pass the Montana Real Estate Board real estate salesman's examination.

6-3 All applicants for licensure as a Non-Resident Real Estate Broker shall, as a prerequisite to licensure in this state, be licensed as an active real estate broker in their state of residency, at the time of application.

6-4 All applicants for licensure as a Non-Resident Real Estate Salesman shall, as a prerequisite to licensure in this state, be licensed as an active real estate salesman in their state of residency.

6-5 Every applicant who passes the Montana Real Estate Board real estate broker's examination or the Montana Real Estate Board real estate salesman's examination shall apply for licensure within six (6) months of the date of examination.

6-6 Every applicant who after passing the Montana Real Estate Board real estate broker's or the real estate salesman's examination, fails to apply for licensure, within six (6) months of the date of examination shall not be licensed without passing another examination of the same class as that previously taken.

CHAPTER VII
Non-Residents

7-1 An applicant for licensure as a non-resident real estate broker shall possess an active real estate license of equal merit in their state of residency.

7-2 An applicant for licensure as a non-resident real estate salesman shall possess an active real estate license of equal merit in their state of residency.

7-3 All applicants for a non-resident real estate salesman's license must be sponsored by a non-resident Montana real estate broker or by a resident Montana real estate broker.

CHAPTER VIII
Branch Offices

8-1 A license will not be granted to a salesman operating in a different town from that of the employing broker, unless a branch office is maintained in that town, displaying a branch office license and the broker's real estate sign; provided, however, that such branch office must be in the charge of a duly qualified and licensed resident broker in the branch office, and that any salesman employed in such branch office shall perform only the acts contemplated to be done by a salesman under a salesman's license; and, that the preparation of instruments in connection with a real estate sale and the act of closing such sales, are functions of a broker and must be performed by or under the supervision of a person or persons duly licensed as a broker.

8-2 A licensed resident real estate broker may qualify for a branch office license.

9-3 A licensed non-resident broker may qualify for a branch office license.

9-4 A licensed resident or non-resident real estate salesman shall not qualify for a branch office license.

8-5 The real estate licenses of all salesmen employed by a broker at a branch office shall be prominently displayed at the location of the branch office.

8-6 The license of the branch office shall be prominently displayed at the location of the branch office.

CHAPTER IX
Conduct (General)

9-1 As a condition to the reinstatement of a revoked or suspended license, the Board may require the applicant to take and pass a qualifying examination, or course, as determined by the Board.

9-2 A broker who signs the application of a salesman as being his employee and such is determined by the Board not to be the case, will render himself liable for suspension or revocation of license.

9-3 A salesman who is unemployed at the time of renewal must renew his license on an in-active basis by filling a renewal application paying the regular fee and complying with the bonding requirement of Section 66-1933, R.C.M. 1947, as amended. The license must be forwarded to the Montana Board of Real Estate Office and cancelled, and the renewal application must show "in-active at present" instead of the signature of the employing broker. To again become active, the salesman must file a change of address application and pay the current fee to transfer his license to a licensed broker. If such request is made within a three (3) year period and is accompanied by the current license fee for an original license, a new license will then be issued without re-examination.

CHAPTER X
Investigations—Fact Finding Committee

10-1 For the purpose of investigating the actions of a license, the Board hereby creates a fact finding committee to be appointed by the Chairman of the Board, to assist in determining whether complaints may be warranted against the licensee.

10-2 The functions of this committee is to analyze licensee's actions even when no complaint has been filed and further to assist the public in determining the validity of a complaint. This committee shall make recommendations to the Board relative cause for a formal proceeding.

CHAPTER XI
Trust Accounts

11-1 Each broker shall maintain a separate Bank Account which shall be designated a trust account wherein all downpayments, earnest money deposits, or other trust funds received by the Broker or his salesman on behalf of his principle or any other person shall be deposited.

11-2 Trust accounts shall be maintained in Banks located in Montana.

11-3 Each Broker shall authorize the Board to examine such trust accounts by a duly authorized representative of the Board. Such examination shall be made at such time as the Board may direct.

CHAPTER XII
Manual

12-1 The **Montana Real Estate Manual** shall be sold to the public at a fee to be determined by the Board and to include periodic costs of revision and publication.

12-2 The **Manual** fee must be paid prior to the issuance of a **Montana Real Estate Manual.**

12-3 Regulation 12-2 shall not apply to state librarys (delete schools, cities, municipalities—not required by Montana Codes).

12-4 Any person wishing to purchase a **Montana Real Estate Manual** must furnish his permanent address to the Montana Real Estate Board.

CHAPTER XIII
Library

13-1 All volumes contained in the Montana Real Estate Board library may be loaned to any member of the public.

13-2 A deposit equal in amount to the purchase price of the volume borrowed shall be given to the Montana Real Estate Board. The deposit shall be refunded upon the return of volume borrowed.

13-3 If a volume is not returned to the Montana Real Estate Board, the deposit required by Regulation 13-2 shall be forfeited.

13-4 A volume may be borrowed for a period of two weeks. The loan period may be extended by the Montana Board of Real Estate or its Director.

CHAPTER XIV
Foreign Land Sales Practices Act

14-1 That all advertising for the sale of registered subdivided lands in Montana, whether by newspaper, television, radio, mailing or other means, must fully and fairly disclose all pertinent information concerning said subdivided lands, including the location, uses, limitations, utilities and facilities then existing, and the price therefor, in clear and simple terms. All advertising materials may be submitted to the Board for inspection before use or distribution.

14-2 That all subdividers selling subdivided lands in Montana by contract for deed providing for delivery of deed to buyer upon fulfillment of the contract terms, shall place such deed together with all other instruments relating to such sale, in escrow with a bank, savings and loan association or title company situtate in Montana. The deed must fully describe the interest in the land as contracted, and must contain covenants of general warranty without exception or reservation, unless such exception or reservation has been approved as part of the application for registration of said lands. The contract and deed must describe all improvements which are a part of the sale whether existing at the time of sale or to be completed prior to full payment by buyer.

14-3 That the following forms, identified as FLSPA-2, FLSPA-3, FLSPA-4 and FLSPA-5, hereto attached and by reference made a part hereof, are hereby adopted by regulation of this Board, and it is hereby directed that the same must be completed, executed and submitted by all subdividers offering out-of-state subdivided lands for sale in Montana together with an application fee in the sum of Five Hundred Dollars ($500.00).

Don't Forget

The Educational Seminars

Great Falls

May 11, 1973

Rainbow Hotel

Billings

May 12, 1973

Eastern Montana College

COMPLAINTS FILED IN THE 1971 - 1972 FISCAL YEAR

A total of **101** complaints were registered this fiscal year. Of these **101** claims, 70 have been closed, leaving 31 active.

BREAKDOWN BY SECTION VIOLATION

SECTION 66-1925	ACTING IN THE CAPACITY OF A BROKER WITHOUT A LICENSE	18
SECTION 66-1937(2)	FALSE PROMISES	08
SECTION 66-1937(3)	MISREPRESENTATION	29
SECTION 66-1938(9)	OFFERING PROPERTY FOR SALE, WITHOUT THE OWNERS CONSENT	02
SECTION 66-1937(12)	NEGOTIATING A SALE OF ANOTHER BROKER'S LISTING	01
SECTION 66-1937(14)	REPRESENTING A BROKER OTHER THAN THE SPONSORING BROKER	01
SECTION 66-1937(15)	FAILING TO FURNISH A COPY OF A WRITTEN INSTRUMENT	08
SECTION 66-1937(19)	DEMONSTRATING UNWORTHINESS TO ACT AS A BROKER	19
SECTION 66-1937(20)	CONVICTION OF A FELONY	01
SECTION 67-2121	FOREIGN LAND SALES PRACTICES ACT	01
CHAPTER 7	BRANCH OFFICES	13

ANALYSIS—JANUARY 1973 SALESMAN EXAMINATION

193 registered for exam . . . 138 were tested
of those not taking a pre-exam course: 55
16% passed
84% failed

STRUCTURED pre-exam courses

Real Estate Institute 46
50% passed
50% failed

U of M Fundamentals 14
57% passed
43% failed

Vo-Tech courses 9
44% passed
56% failed

M.S.U. courses 3
33% passed
67% failed

Llewellyn & Association 3
67% passed
33% failed

Weaver 3
67% passed
33% failed

G.R.I. 3
67% passed
33% failed

Others (Missoula Tech. Col.—Adult Ed.—LaSalle) 6
0% passed
100% failed

87

TOTAL PERCENTAGE OF ALL CANDIDATES EXAMINED
34% passed
66% failed

BREAKDOWN BY SECTION .....SALESMAN
of those salesman applicants failing exam 91
1. 70% failed the first section ..... (74)
2. 34% failed the second section .... (32)
3. 44% failed the third section ..... (40)

ANALYSIS — JANUARY 1973 BROKER EXAMINATION
31 applicants were tested
of those not taking a pre-exam course: 14
29% passed
71% failed

STRUCTURED PRE-EXAM COURSES
Real Estate Institute 7
57% passed
43% failed

U of M Fundamentals 6
67% passed
33% failed

G.R.I. 6
83% passed
17% failed

Others (Colorado State Univ. & Ventura College California) 2
50% passed
50% failed

Total Percentage of All Candidates Examined
43% passed
57% failed

BREAKDOWN BY SECTION .....BROKER
of those broker applicants failing exam 17
1. 12% failed the first section ..... (2)
2. 41% failed the second section .... (7)
3. 100% failed the third section ..... (17)
4. 18% failed the fourth section .... (3)

Salesmen Survey

1. 136 out of 138 salesmen taking exam filled out the survey—to some extent
2. The youngest taking exam was 20
   The oldest taking exam was 73
   One did not fill in age
3. There were:
   35 between the age of 20-29
   42 between the age of 30-39
   35 between the age of 40-49
   19 between the age of 50-59
   1 the age of 73
   1 no age filled in on questionaire
4. The average age—37
5. 106 males took exam
   30 females took exam
6. High School 135
   Some College 43
   College Degrees 50
   Real Estate Courses 84

70% had some college
83 completed Real Estate Courses
75 said yes it was beneficial
5 said no it was not beneficial
4 did not answer

7. Do you think this examination was comprehensive?
   Yes 89% No 11%
   Do you think this examination was fair?
   Yes 79% No 21%
   Do you think the subject matter was adequately tested?
   Yes 86% No 14%
   Were the directions easily understandable?
   Yes 88% No 12%

8. Number of times for exam
First time—80
second time—37
Third time—6
Fourth time—1
12 left answer blank

Broker Survey

1. 30 of 31 brokers taking exam filled out the survey —to some extent
2. The youngest taking exam was 24
The oldest takng exam was 65
3. There were:
5 applicants between the age of 24-30
6 applicants between the age of 31-40
14 applicants between the age of 41-50
5 applicants between the age of 51-65
4. The average broker age was 42
5. There were 26 male applicants
There were 4 female applicants
6. General Education:
High School Diploma 11
Some College 9
College Degree 9
7. 16 applicants had some type of formal real estate education.
8. Do you think this examination was comprehensive?
Yes 100% No 0%
Do you think this examination was fair?
Yes 93% No 7%
Do you think the subject matter was adequately tested?
Yes 100% No 0%
Were the directions easily understandable?
Yes 89% No 11%
9. Number of times for exam
First time—21
Second time—8
Third time—1

Montana Board of Real Estate
Lalonde Building
Helena, Montana 59601

Bulk Rate
PAID
Permit No. 114
Helena, Mont.